

GGI World Conference at Le Parker Meridien in New York

Workshop Minutes – Copyright for Mobile Devices (Ringtone, Truetone, etc.)

Saturday, October 28th, 2006, 10:30-12:00 hrs

Chairman: Ady Nordman

Participants: C. Heymann, C. Bertosa, S.D'Alessandro,

- The conversion of digital contents can constitute a breach of copyright.
- Ringtones are protected musical works that is owned by the original musical work owner. A Ringtone is a substantial part of the original musical work in most jurisdictions.
- It seems that songwriters, composers, Lyricists and other copyrights owners did not pay much attention in the past as small parts of their music work may have been used here and there (.e.g., toys etc.)
- Lyricists and composers in particular have been taking a one-time fee from producers for songs for decades without considering royalties on the material that can sometimes be far more valuable than the original fee.
- In most cases Ringtone, Truetones and alike files were not part of the “original” historical custom licenses contracts and only since the introduction of the second and moreover the third generation mobile devices couple of years ago copyrights owners “discovered” the unique enormous economic value of their rights even if one is talking about a small fraction of their music work. What is also evident is that, in contradiction to the “not willing to pay for music” people using the peer-to-peer downloads, people and especially teenagers are willing to pay, sometimes overpay, for such small fraction of music. In many cases Ringtone sales are outpacing recording single sales of the same song.
- In most countries the legal systems is not up to date with the huge spread of such “new” rights and in most cases there is no legislation per se (although there is legislation in places such as Germany that solves most issues) and in some places there are court’s decision or rather settlements/agreements between owners and cellular device manufactures, cellular corporations or content provider which of course are based on the remarkable consideration that one can make out of few second of music (sometimes in really poor quality).
- We have no doubt that Legislation will pick up but industry and business is, as always, way a head and an owner who does not have the financial means to fight for his rights may loose a great deal of money as well as dilution of his rights in this money-spinner industry for the cellular companies.
- It seems that as a whole copyrights owners in music work do own full rights as Ringtones, Truetones etc. are to be considered derivative from the original music work.